

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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LORENZO LAZARO, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff(s),

v.

ICONIX BRAND GROUP, INC., NEIL  
COLE, WARREN CLAMEN, and JEFF  
LUPINACCI,

Defendants.

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**Civil Action No.:**

**CLASS ACTION COMPLAINT  
FOR VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

**JURY TRIAL DEMANDED**

Plaintiff Lorenzo Lazaro ("Plaintiff"), individually and on behalf of all other persons similarly situated, by his undersigned attorneys, for his complaint against defendants, alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon, inter alia, the investigation conducted by and through his attorneys, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Iconix Brand Group, Inc. ("Iconix" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a class action on behalf of purchasers of Iconix securities between February 20, 2013 and April 17, 2015, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Iconix is a brand management company and owner of a diversified portfolio of global consumer brands across women’s, men’s, entertainment and home. The Company’s purported business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

3. The Company operates through an “asset-light” brand-management system, which purportedly generates revenue streams through the licensing of intellectual property rights, without huge outlays of cash for inventory or property, plant and equipment.

4. The Company typically purchases the licensing rights (“Licensing Rights”) to an existing consumer fashion brand for a fixed acquisition cost (“Acquisition Cost”), and licenses the right to use the brand in clothing, shoes, household items, media, etc. through a series of agreements with various partners and joint ventures in exchange for licensing fees (“Licensing Fees”).

5. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (1) that the Company had underreported the cost basis of its brands; (2) that the Company engaged in irregular accounting practices related to the booking of its joint venture revenues and profits, free-cash flow, and organic growth; (3) that, as a result, the

Company's earnings and revenues were overstated; and (4) that, as a result of the foregoing, Defendants' statements about Iconix's business, operations, and prospects were false and misleading and/or lacked a reasonable basis.

6. On March 30, 2015 after the close of the trading session, the Company announced in a press release that its Chief Financial Officer ("CFO"), Jeff Lupinacci ("Lupinacci"), had resigned effective March 30, 2015. Therein, the Company stated in relevant part:

On March 24, 2015, Jeff Lupinacci, the Chief Financial Officer of Iconix Brand Group, Inc. (the "Company") notified the Company of his intention to resign, with 60 days' notice, to pursue another business opportunity. The Company has determined to make such resignation effective March 30, 2015. The Company has commenced a search for Mr. Lupinacci's replacement and anticipates filling the position in the near term. Mr. David Blumberg, the Company's current Executive Vice President – Head of Strategic Development, will assume Mr. Lupinacci's duties on an interim basis until an appropriate replacement has been identified.

7. On this news the Company's shares fell \$2.72 per share, or 7%, to close on March 31, 2015 at \$33.67 per share on unusually high volume.

8. On April 17, 2015, after the market closed, Iconix announced that the Company's Chief Operating Officer ("COO") Seth Horowitz ("Horowitz") had resigned after serving for approximately one year. The Company stated that it did not intend to name a new COO.

9. On April 20, 2015, Roth Capital Partners published an Equity Research Note (the "Note"), entitled "ICON: COO Departure Creates Greater Uncertainty; Lowering Target To \$36." The Note revealed the accounting irregularities with free-cash flow accounting, organic growth, and gains on Licensing Fees, stating in relevant part, "[n]ews of the COO's resignation is likely to weigh on shares near-term, particularly following the CFO's recent departure as well as uncertainties surrounding the company's prior reporting of free cash flow and practice of booking joint venture gains as revenue." The Note further stated that, "This announcement [of the COO departure] follows the March 30 resignation of chief financial officer, Jeff Lupinacci,

who will pursue another business opportunity. While not necessarily connected, Lupinacci's departure came after uncertainties surrounding the company's reporting of free cash flow."

10. On this news, shares of Iconix declined \$6.62 per share, over 20%, to close on April 20, 2015, at \$25.41 per share, on unusually heavy volume.

11. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

12. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

13. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

14. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. Additionally, Iconix's principal executive offices are located within this Judicial District.

15. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

## **PARTIES**

16. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Iconix common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

17. Defendant Iconix is a Delaware corporation with its principal executive offices located at 1450 Broadway, New York, New York 10018. Iconix's common stock trades on the NASDAQ under the ticker symbol "ICON."

18. Defendant Neil Cole was, at all relevant times, CEO and a director of Iconix.

19. Defendant Warren Clamen ("Clamen") was CFO of Iconix until March 18, 2014.

20. Defendant Jeff Lupinacci was CFO of Iconix from April 7, 2014 through March 30, 2015.

21. The defendants referenced above in ¶¶ 18-20 are sometimes referred to herein as the "Individual Defendants."

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

22. Iconix is a brand management company and owner of a diversified portfolio global consumer brands across women's, men's, entertainment and home. The Company's purported business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

### **Materially False and Misleading Statements Issued During the Class Period**

23. The Class Period begins on February 20, 2013. On this day, Iconix issued a press release entitled, “Iconix Brand Group Reports Revenue and Earnings for the Fourth Quarter and Full Year 2012.” Therein, the Company, in relevant part, stated:

- *Q4 and FY 2012 revenue of \$85.1 million and \$353.8 million, respectively*
- *Q4 and FY 2012 non-GAAP diluted EPS of \$0.41 and \$1.70, respectively*
- *2012 free cash flow of \$180.5 million*
- *Acquires Lee Cooper, iconic global lifestyle brand with over 100-year Heritage*
- *Announces new \$300 million share repurchase program*

Iconix Brand Group, Inc. (NASDAQ: ICON) (“Iconix” or the “Company”), today announced financial results for the fourth quarter and year ended December 31, 2012.

**Q4 2012 results for Iconix Brand Group, Inc.:**

Total revenue for the fourth quarter of 2012 was approximately \$85.1 million, as compared to approximately \$95.5 million in the fourth quarter of 2011. EBITDA attributable to Iconix for the fourth quarter was approximately \$50.0 million, as compared to approximately \$57.3 million in the prior year quarter. *Free cash flow attributable to Iconix for the fourth quarter was approximately \$37.9 million, as compared to approximately \$41.9 million in the prior year quarter. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for the fourth quarter was approximately \$28.9 million, as compared to approximately \$31.3 million in the prior year quarter.* Non-GAAP diluted EPS for the fourth quarter was \$0.41 compared to \$0.41 in the prior year quarter. GAAP net income attributable to Iconix for the fourth quarter was approximately \$26.1 million, as compared to approximately \$27.2 million in the prior year quarter and GAAP diluted EPS was \$0.37 compared to \$0.36 in the prior year quarter.

**Full Year 2012 results for Iconix Brand Group, Inc.:**

Total revenue for the full year 2012 was approximately \$353.8 million, as compared to approximately \$369.8 million for the prior year. EBITDA attributable to Iconix for 2012 was approximately \$217.0 million as compared to approximately \$229.6 million in the prior year. *Free cash flow attributable to Iconix for 2012 was approximately \$180.5 million as compared to \$179.2 million for the prior year. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for 2012 was approximately \$122.0 million as compared to approximately \$127.4 million in the prior year and non-GAAP diluted earnings per share for 2012 was approximately \$1.70 versus \$1.69 for the prior year. On a GAAP basis, net income attributable to Iconix for 2012 was*

*approximately \$109.4 million as compared to \$126.1 million in the prior year and GAAP diluted earnings per share was \$1.52 versus \$1.67 for the prior year.*

EBITDA, free cash flow, non-GAAP net income and non-GAAP EPS are all non-GAAP metrics and reconciliation tables to the respective GAAP measures are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "Over the past year we have executed on several exciting initiatives that position our company for significant growth. We acquired three iconic brands, continued to expand our global footprint, signed a Peanuts movie deal and launched a new \$1.1 billion securitization facility. Looking to 2013 and beyond, with our powerful portfolio of over 30 brands that are well diversified across numerous industries and geographies along with our strong balance sheet and financial flexibility, we look forward to delivering continued growth and value to our shareholders."

### **2013 Guidance for Iconix Brand Group, Inc.:**

To reflect the Company's acquisition of Lee Cooper, the Company is raising its 2013 guidance as follows;

- The Company is raising its revenue guidance to \$425-\$435 million from \$415-\$425 million
- The Company is raising its non-GAAP diluted EPS guidance to \$2.05-\$2.15 from \$2.00-\$2.10
- The Company is raising its 2013 GAAP diluted EPS guidance to \$1.95-\$2.05 from \$1.90-\$2.00
- The Company is raising its 2013 free cash flow guidance to \$203-\$210 million from \$196-\$203 million.

This guidance relates to the Company's existing portfolio of brands and does not include any additional acquisitions.

### **Other Company News:**

The Company announced today that it acquired the Lee Cooper brand. Lee Cooper is an iconic global lifestyle brand with over a 100-year heritage. See separate press release for additional details.

The Company also announced today that its Board of Directors has authorized a program to repurchase up to \$300 million of its common stock. See separate press release for additional details.

(Emphasis added.)

24. On February 28, 2013, Iconix filed its Annual Report with the SEC on Form 10-K for the 2012 fiscal year. The Company's Form 10-K was signed by Defendants Cole and Clamen, and reaffirmed the Company's statements previously announced on February 20, 2013. The Form 10-K contained certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX"), signed by defendants Cole and Clamen, who certified the following:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2012 of Iconix Brand Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and;

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

25. On April 24, 2013 Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue and Earnings for the First Quarter 2013." Therein, the Company, in relevant part, stated:

- *Record Q1 revenue of \$105.1 million, a 19% increase over prior year quarter*
- *Record Q1 non-GAAP diluted EPS of \$0.54, a 26% increase over prior year quarter*
- *Record Q1 free cash flow of \$51.8 million and EBITDA of \$64.6 million*
- *Raising 2013 non-GAAP diluted EPS guidance to \$2.10-\$2.20*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the first quarter ended March 31, 2013.

#### **Q1 2013 Results for Iconix Brand Group, Inc.:**

Total revenue for the first quarter of 2013 was approximately \$105.1 million, a 19% increase as compared to approximately \$88.5 million in the first quarter of 2012. EBITDA attributable to Iconix for the first quarter was approximately \$64.6 million, a 14% increase as compared to \$56.8 million in the prior year quarter. *Free cash flow attributable to Iconix for the first quarter was approximately \$51.8 million, a 9% increase as compared to the prior year quarter of approximately \$47.4 million.* On a non-GAAP basis, as described in the tables

below, net income attributable to Iconix was \$36.2 million, a 13% increase as compared to the prior year quarter of approximately \$31.9 million. Non-GAAP diluted EPS for the first quarter of 2013 increased 26% to \$0.54 compared to \$0.43 in the prior year quarter. GAAP net income attributable to Iconix for the first quarter of 2013 was approximately \$34.2 million, a 24% increase as compared to \$27.6 million in the prior year quarter and GAAP diluted EPS for the first quarter of 2013 increased 38% to \$0.51 compared to \$0.37 in the prior year quarter.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "With record results in the first quarter, 2013 is off to a strong start and we are on track to deliver over 20% revenue and EPS growth for the full year. We successfully completed three acquisitions in the past five months and with our current pipeline we believe there are additional opportunities, which would continue to enhance our portfolio. *As we look ahead, we are also focused on continuing to build our portfolio of brands organically through our global platform, and we believe that with our free cash flow and strong balance sheet we will continue to create increased shareholder value.*"

**2013 Guidance for Iconix Brand Group, Inc.:**

- The Company is maintaining its 2013 revenue guidance of \$425-\$435 million
- The Company is raising its 2013 non-GAAP diluted EPS guidance to \$2.10-\$2.20 from \$2.05-\$2.15
- The Company is revising its 2013 GAAP diluted EPS guidance to \$1.87-\$1.97 from \$1.95-\$2.05
- The Company is maintaining its free cash flow guidance of \$203-\$210 million.

(Emphasis added.)

26. On May 7, 2013, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2013 fiscal first quarter. The Company's Form 10-Q was signed by Defendants Cole and Clamen, and reaffirmed the Company's statements previously announced on April 24, 2013. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Clamen and substantially similar to the certification described in ¶ 24, *supra*.

27. On July 24, 2013, Iconix issued a press release entitled, “Iconix Brand Group Reports Record Revenue And Earnings For The Second Quarter 2013.” Therein, the Company, in relevant part, stated:

- *Record Q2 revenue of \$115.1 million vs. \$93.6 million in prior year quarter, a 23% increase*
- *Record Q2 non-GAAP diluted EPS of \$0.72 vs. \$0.45 in prior year quarter, a 60% increase*
- *Further expanding international footprint with formation of Canada JV*
- *Announcing new \$300 million share repurchase program*
- *Raising 2013 non-GAAP diluted EPS guidance to \$2.20-\$2.30*

Iconix Brand Group, Inc. (NASDAQ: ICON) (“Iconix” or the “Company”), today announced financial results for the second quarter ended June 30, 2013.

#### **Q2 2013 Results for Iconix Brand Group, Inc.:**

Total revenue for the second quarter of 2013 was approximately \$115.1 million, a 23% increase as compared to approximately \$93.6 million in the second quarter of 2012. EBITDA attributable to Iconix for the second quarter was approximately \$72.7 million, a 24% increase as compared to \$58.4 million in the prior year quarter. Free cash flow attributable to Iconix for the second quarter was approximately \$60.8 million, a 17% increase as compared to the prior year quarter of approximately \$51.9 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix was \$42.7 million, a 32% increase as compared to the prior year quarter of approximately \$32.4 million. Non-GAAP diluted EPS for the second quarter of 2013 increased 60% to \$0.72 compared to \$0.45 in the prior year quarter. GAAP net income attributable to Iconix for the second quarter of 2013 was approximately \$38.7 million, a 35% increase as compared to \$28.6 million in the prior year quarter and GAAP diluted EPS for the second quarter of 2013 increased 65% to \$0.66 compared to \$0.40 in the prior year quarter.

#### **Six months ended June 30, 2013:**

Total revenue for the six months ended June 30, 2013 was approximately \$220.2 million, a 21% increase as compared to approximately \$182.1 million for the prior year period. EBITDA attributable to Iconix for the six month period was approximately \$137.2 million, a 19% increase as compared to approximately \$115.2 million in the prior year period. Free cash flow attributable to Iconix for the six month period was approximately \$112.7 million, a 13% increase over the prior year period of approximately \$99.4 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for the six month period was approximately \$78.9 million, a 23% increase as compared to

approximately \$64.4 million in the prior year period, and non-GAAP diluted earnings per share was approximately \$1.25 for the six month period, a 42% increase versus \$0.88 for the prior year period. GAAP net income attributable to Iconix for the six month period of 2013 was approximately \$72.9 million, a 30% increase as compared to \$56.2 million in the prior year period and GAAP diluted EPS for the six month period of 2013 increased 53% to \$1.16 compared to \$0.76 in the prior year period.

Included in the second quarter and year-to-date results ended June 30, 2013, is the formation of a new joint venture in Canada, which contributed approximately \$9.8 million to revenue. Similarly, the second quarter of 2012 included the formation of a joint venture in India, which contributed approximately \$5.6 million to revenue in the prior year quarter. In addition, in the second quarter of 2013, the Company received \$5.4 million in cash related to its previously written off auction rate securities, which is included in interest and other expenses, net. On a full year basis, this will be offset by incremental interest expense of approximately \$7 million related to the \$275 million securitization transaction the Company completed in the second quarter of 2013.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "With record performance in the second quarter, we made progress on our growth initiatives driving over 20% revenue growth and 60% EPS growth. *We believe the performance we have achieved year-to-date and over the past several years demonstrates the power of our business model, and over the next few years we expect to see additional growth as we continue to build our existing brands around the world and further leverage our strong balance sheet and free cash flow to add iconic brands to our portfolio and continue to enhance shareholder value through opportunistic share repurchases.*"

#### **2013 Guidance for Iconix Brand Group, Inc.:**

- The Company is maintaining its 2013 revenue guidance of \$425-\$435 million
- The Company is raising its 2013 non-GAAP diluted EPS guidance to \$2.20-\$2.30 from \$2.10-\$2.20
- The Company is raising its 2013 GAAP diluted EPS guidance to \$1.97-\$2.07 from \$1.87-\$1.97
- The Company is maintaining its free cash flow guidance of \$203-\$210 million.

(Emphasis added.)

28. On August 9, 2013, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2013 fiscal second quarter. The Company's Form 10-Q was signed by Defendants Cole and Clamen, and reaffirmed the Company's statements previously announced on July 24, 2013. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Clamen and substantially similar to the certification described in ¶26, *supra*.

29. On October 29, 2013, Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue And Earnings For The Third Quarter 2013." Therein, the Company, in relevant part, stated:

- *Record Q3 revenue of \$107.2 million vs. \$86.6 million in prior year quarter, a 24% increase*
- *Record Q3 non-GAAP diluted EPS of \$0.59 vs. \$0.41 in prior year quarter, a 44% increase*
- *Raising 2013 non-GAAP diluted EPS guidance to \$2.30-\$2.40*
- *Initiating 2014 revenue guidance of \$440-\$455 million*
- *Initiating 2014 non GAAP diluted EPS guidance of \$2.50-\$2.60*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the third quarter ended September 30, 2013.

#### **Q3 2013 Results for Iconix Brand Group, Inc.:**

Total revenue for the third quarter of 2013 was approximately \$107.2 million, a 24% increase as compared to approximately \$86.6 million in the third quarter of 2012. EBITDA attributable to Iconix for the third quarter was approximately \$65.6 million, a 27% increase as compared to \$51.8 million in the prior year quarter. Free cash flow attributable to Iconix for the third quarter was approximately \$54.3 million, a 26% increase as compared to the prior year quarter of approximately \$43.2 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix was \$33.1 million, a 15% increase as compared to the prior year quarter of approximately \$28.7 million. Non-GAAP diluted EPS for the third quarter of 2013 increased approximately 44% to \$0.59 compared to \$0.41 in the prior year quarter. GAAP net income attributable to Iconix for the third quarter of 2013 was approximately \$29.0 million, a 7% increase as compared to \$27.1 million in the prior year quarter and GAAP diluted EPS for the third quarter of 2013 increased 32% to \$0.50 compared to \$0.38 in the prior year quarter.

#### **Nine months ended September 30, 2013:**

Total revenue for the nine months ended September 30, 2013 was approximately \$327.4 million, a 22% increase as compared to approximately \$268.7 million for the prior year period. EBITDA attributable to Iconix for the nine month period was approximately \$202.8 million, a 21% increase as compared to approximately \$167.0 million in the prior year period. Free cash flow attributable to Iconix for the nine month period was approximately \$167.0 million, a 17% increase over the prior year period of approximately \$142.6 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for the nine month period was approximately \$112.0 million, a 20% increase as compared to approximately \$93.1 million in the prior year period, and non-GAAP diluted earnings per share increased approximately 45% to \$1.85 versus \$1.28 for the prior year period. GAAP net income attributable to Iconix for the nine month period of 2013 was approximately \$101.9 million, a 22% increase as compared to \$83.3 million in the prior year period and GAAP diluted EPS for the nine month period of 2013 increased 45% to \$1.67 compared to \$1.15 in the prior year period.

Included in the third quarter and year-to-date results, is the formation of a new joint venture in Australia, which contributed approximately \$5 million to revenue.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted shares and EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "We believe the performance we have achieved year to date, with over 20% revenue growth and over 40% EPS growth, demonstrates the power of our business model and the strength of our portfolio. Looking ahead into 2014 and beyond, we expect to continue to deliver strong growth through both organic initiatives as well as acquisitions, as we continue to build our global footprint and further leverage our strong balance sheet. In addition, we plan to continue to balance acquisitions with share repurchases, as we have successfully done over the past two years, in which we bought back 32% of our shares outstanding."

#### **2013 Guidance for Iconix Brand Group, Inc.:**

- The Company is maintaining its 2013 revenue guidance of \$425-\$435 million
- The Company is raising its 2013 non-GAAP diluted EPS guidance to \$2.30-\$2.40 from \$2.20-\$2.30
- The Company is raising its 2013 GAAP diluted EPS guidance to \$2.06-\$2.16 from \$1.97-\$2.07
- The Company is maintaining its free cash flow guidance of \$203-\$210 million

This guidance relates to the Company's existing portfolio of brands and does not include any additional acquisitions. In addition, this guidance does not assume any dilution from our convertible notes.

**2014 Guidance for Iconix Brand Group, Inc.:**

The Company is initiating the following guidance for 2014:

- revenue guidance of \$440-\$455 million
- 2014 non-GAAP diluted EPS guidance of \$2.50-2.60
- 2014 GAAP diluted EPS guidance of \$2.19-\$2.29
- 2014 free cash flow guidance of \$210-\$217 million

30. On November 6, 2013, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2013 fiscal third quarter. The Company's Form 10-Q was signed by Defendants Cole and Clamen, and reaffirmed the Company's statements previously announced on October 29, 2013. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Clamen and substantially similar to the certification described in ¶ 24, *supra*.

31. On February 20, 2014, Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue And Earnings For The Fourth Quarter And Full Year 2013." Therein, the Company, in relevant part, stated:

- *Record Q4 revenue of \$105.3 million, a 24% increase over prior year quarter*
- *Record Q4 non-GAAP diluted EPS of \$0.54, a 32% increase over prior year quarter*
- *Record Q4 free cash flow of \$62.9 million, a 66% increase over prior year quarter*
- *Record 2013 revenue of \$432.6 million, a 22% increase over prior year*
- *Record 2013 non-GAAP diluted EPS of \$2.39, a 41% increase over prior year*
- *Record 2013 free cash flow of \$229.9 million, a 27% increase over prior year*
- *2013 share repurchases of \$436 million, or 24% of shares outstanding \*
- *Announcing new \$500 million share repurchase program*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the fourth quarter and year ended December 31, 2013.

**Q4 2013 Results for Iconix Brand Group, Inc.:**

Total revenue for the fourth quarter of 2013 was approximately \$105.3 million, a 24% increase as compared to approximately \$85.1 million in the fourth quarter of 2012. EBITDA attributable to Iconix for the fourth quarter was approximately \$60.1 million, a 20% increase as compared to \$50.0 million in the prior year quarter. Free cash flow attributable to Iconix for the fourth quarter was approximately \$62.9 million, a 66% increase as compared to the prior year quarter of approximately \$37.9 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix was \$30.2 million, a 5% increase as compared to the prior year quarter of approximately \$28.9 million. Non-GAAP diluted EPS for the fourth quarter of 2013 increased 32% to \$0.54 compared to \$0.41 in the prior year quarter. GAAP net income attributable to Iconix for the fourth quarter of 2013 was approximately \$26.1 million compared to \$26.1 million in the prior year quarter and GAAP diluted EPS for the fourth quarter of 2013 increased 19% to \$0.44 compared to \$0.37 in the prior year quarter.

#### **Full Year 2013 Results for Iconix Brand Group, Inc.:**

Total revenue for the full year 2013 was approximately \$432.6 million, a 22% increase as compared to approximately \$353.8 million for the prior year. EBITDA attributable to Iconix for 2013 was approximately \$262.9 million, a 21% increase as compared to approximately \$217.0 million in the prior year. Free cash flow attributable to Iconix for 2013 was approximately \$229.9 million, a 27% increase over the prior year of approximately \$180.5 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for 2013 was approximately \$142.2 million, a 17% increase as compared to approximately \$122.0 million in the prior year, and non-GAAP diluted earnings per share increased 41% to \$2.39 versus \$1.70 for the prior year. GAAP net income attributable to Iconix for 2013 was approximately \$128.0 million, a 17% increase as compared to \$109.4 million in the prior year and GAAP diluted EPS for 2013 increased 39% to \$2.11 compared to \$1.52 in the prior year.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "Since converting to a licensing model in 2005, we have built a powerful global platform, delivering compounded annual growth of around 40% for both revenue and EPS. In 2013, we had another record year and continued to drive growth through the expansion of our worldwide footprint, our acquisition strategy of asset light businesses and global brands, and our ongoing commitment to share repurchases. Looking ahead, as we continue to focus on international markets and additional acquisitions, I believe we can build on our success and continue to deliver increased value to our shareholders."

#### **2014 Guidance for Iconix Brand Group, Inc.:**

The Company is maintaining its full year 2014 guidance as follows:

- Revenue of \$440-\$455 million
- Non-GAAP diluted EPS of \$2.50-\$2.60
- GAAP diluted EPS of \$2.19-\$2.29
- Free cash flow of \$210-\$217 million.

This guidance relates to the Company's existing portfolio of brands and does not include any additional acquisitions. In addition, this guidance does not assume any additional share repurchases or dilution from the Company's convertible notes above the current stock price.

**Other Company News:**

The Company announced today that its Board of Directors has authorized a program to repurchase up to \$500 million of its common stock. See separate press release for additional details.

32. On February 27, 2014, Iconix filed its Annual Report with the SEC on Form 10-K for the 2013 fiscal year. The Company's Form 10-K was signed by Defendants Cole and Clamen, and reaffirmed the Company's statements previously announced on February 20, 2014. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Cole and Clamen and substantially similar to the certification described in ¶ 24, *supra*.

33. On April 30, 2014, Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue And Earnings For The First Quarter 2014." Therein, the Company, in relevant part, stated:

- *Record Q1 revenue of \$116.1 million, an 11% increase over prior year quarter*
- *Record Q1 non-GAAP diluted EPS of \$0.72, a 33% increase over prior year quarter*
- *Record Q1 GAAP diluted EPS of \$1.03, a 101% increase over prior year quarter*
- *Record Q1 free cash flow of \$58.0 million, a 12% increase over prior year quarter*
- *Raising 2014 revenue guidance to \$450-\$460 million*
- *Raising 2014 non-GAAP diluted EPS guidance to \$2.55-\$2.65*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the first quarter ended March 31, 2014.

**Q1 2014 Results for Iconix Brand Group, Inc.:**

Total revenue for the first quarter of 2014 was approximately \$116.1 million, an 11% increase as compared to approximately \$105.1 million in the first quarter of 2013. EBITDA attributable to Iconix for the first quarter was approximately \$69.8 million, an 8% increase as compared to \$64.6 million in the prior year quarter. *Free cash flow attributable to Iconix for the first quarter was approximately \$58.0 million, a 12% increase as compared to the prior year quarter of approximately \$51.8 million. On a non-GAAP basis, as described in the tables below, net income attributable to Iconix was \$39.3 million, an 8% increase as compared to the prior year quarter of approximately \$36.2 million. Non-GAAP diluted EPS for the first quarter of 2014 increased 33% to \$0.72 compared to \$0.54 in the prior year quarter. GAAP net income attributable to Iconix for the first quarter of 2014 was approximately \$59.8 million, a 75% increase as compared to \$34.2 million in the prior year quarter, and GAAP diluted EPS for the first quarter of 2014 increased approximately 101% to \$1.03 compared to \$0.51 in the prior year quarter.*

GAAP net income in the first quarter of 2014 includes a non-cash gain of approximately \$38 million before taxes related to the re-measurement of the Company's initial investment in Iconix Latin America in conjunction with its acquisition of the remaining 50% from its joint venture partner.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "With record results in the first quarter, 2014 is off to a strong start. Through our diversified portfolio of brands and expanding global footprint we continued to achieve strong growth. As we look ahead, we believe we can continue to deliver significant value to our Company and shareholders through a combination of organic growth driven by international expansion and Peanuts initiatives, as well as, additional acquisitions of global iconic brands."

**2014 Guidance for Iconix Brand Group, Inc.:**

The Company is raising its 2014 guidance as follows:

- Increasing 2014 revenue guidance to \$450-\$460 million from \$440-\$455 million
- Increasing 2014 Non-GAAP diluted EPS guidance to \$2.55-\$2.65 from \$2.50-\$2.60
- Increasing 2014 GAAP diluted EPS guidance to \$2.50-\$2.60 from \$2.19-\$2.29
- Increasing 2014 free cash flow guidance to \$213-\$220 million from \$210-\$217 million

(Emphasis added.)

34. On May 9, 2014, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2014 fiscal first quarter. The Company's Form 10-Q was signed by Defendants Cole and Lupinacci, and reaffirmed the Company's statements previously announced on April 30, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Lupinacci and substantially similar to the certification described in ¶ 24, *supra*.

35. On July 29, 2014, Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue And Earnings For The Second Quarter 2014." Therein, the Company, in relevant part, stated:

- *Record Q2 revenue of \$118.9 million and non-GAAP diluted EPS of \$0.75*
- *Record Q2 EBITDA of \$78.2 million and Q2 EBITDA margin of 66%*
- *Free cash flow of \$60.0 million for Q2 and \$118.0 million for six month period*
- *Raising 2014 revenue guidance to \$455-\$465 million and non-GAAP diluted EPS guidance to \$2.60-\$2.70*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the second quarter ended June 30, 2014.

#### **Q2 2014 Results for Iconix Brand Group, Inc.:**

Total revenue for the second quarter of 2014 was approximately \$118.9 million, a 3% increase as compared to approximately \$115.1 million in the second quarter of 2013. EBITDA attributable to Iconix for the second quarter was approximately \$78.2 million, an 8% increase as compared to \$72.7 million in the prior year quarter. Free cash flow attributable to Iconix for the second quarter was approximately \$60.0 million, as compared to the prior year quarter of approximately \$60.8 million. On a non-GAAP basis, as described in the tables below, net income attributable to Iconix was \$39.6 million, as compared to the prior year quarter of approximately \$42.7 million. Non-GAAP diluted EPS for the second quarter of 2014 increased 4% to \$0.75 compared to \$0.72 in the prior year quarter. GAAP net income attributable to Iconix for the second quarter of 2014 was approximately \$35.3 million, as compared to \$38.7 million in the prior year quarter, and GAAP diluted EPS for the second quarter of 2014 was \$0.60 compared to \$0.66 in the prior year quarter.

#### **Six months ended June 30, 2014:**

Total revenue for the six months ended June 30, 2014 was approximately \$235.1 million, a 7% increase as compared to approximately \$220.2 million for the prior year period. EBITDA attributable to Iconix for the six month period was approximately \$147.9 million, an 8% increase as compared to approximately \$137.2 million in the prior year period. Free cash flow attributable to Iconix for the six month period was approximately \$118.0 million, a 5% increase over the prior year period of approximately \$112.7 million. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for the six month period was approximately \$78.9 million, compared to approximately \$78.9 million in the prior year period, and non-GAAP diluted earnings per share was approximately \$1.49 for the six month period, a 19% increase versus \$1.25 for the prior year period. GAAP net income attributable to Iconix for the six month period of 2014 was approximately \$95.1 million, a 30% increase as compared to \$72.9 million in the prior year period and GAAP diluted EPS for the six month period of 2014 increased 41% to \$1.63 compared to \$1.16 in the prior year period.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "With record results in the second quarter, we continue to demonstrate the power of our business model with our diversified revenue stream and strong free cash flow. As we look to the future we believe we can continue to deliver significant growth and increased value for our Company and shareholders through our global expansion plans, worldwide Peanuts business and additional acquisitions of global iconic brands.

**2014 Guidance for Iconix Brand Group, Inc.:**

- Raising revenue guidance to \$455-\$465 million from \$450-\$460 million
  - Raising non-GAAP diluted EPS guidance to \$2.60-\$2.70 from \$2.55-\$2.65
  - Maintaining GAAP diluted EPS guidance of \$2.50-\$2.60
- Raising free cash flow guidance to \$215-\$222 million from \$213-\$220 million

36. On August 6, 2014, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2014 fiscal second quarter. The Company's Form 10-Q was signed by Defendants Cole and Lupinacci, and reaffirmed the Company's statements previously announced on July 29, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Lupinacci and substantially similar to the certification described in ¶ 24, *supra*.

37. On October 28, 2014, Iconix issued a press release entitled, “Iconix Brand Group Reports Record Revenue And Earnings For The Third Quarter 2014.” Therein, the Company, in relevant part, stated:

- *Record Q3 diluted non-GAAP EPS of \$0.73, a 23% increase over prior year quarter*
- *Record Q3 revenue of \$113.8 million, a 6% increase over prior year quarter*
- *Raising 2014 diluted non-GAAP EPS guidance to \$2.72-\$2.77*
- *Providing 2015 revenue guidance of \$485-\$500 million*
- *Providing 2015 diluted non GAAP EPS guidance of \$2.90-\$3.10*

Iconix Brand Group, Inc. (NASDAQ: ICON) (“Iconix” or the “Company”), today announced financial results for the third quarter ended September 30, 2014.

### **Q3 2014 Results for Iconix Brand Group, Inc.:**

Total revenue for the third quarter of 2014 was approximately \$113.8 million, a 6% increase as compared to approximately \$107.2 million in the third quarter of 2013. On a non-GAAP basis, as described in the tables below, net income attributable to Iconix was \$38.3 million, a 16% increase as compared to the prior year quarter of approximately \$33.1 million. Non-GAAP diluted EPS for the third quarter of 2014 increased 23% to \$0.73 compared to \$0.59 in the prior year quarter. GAAP net income attributable to Iconix for the third quarter of 2014 was approximately \$33.8 million, a 16% increase as compared to \$29.0 million in the prior year quarter, and GAAP diluted EPS for the third quarter of 2014 was \$0.58, a 15% increase compared to \$0.50 in the prior year quarter. Free cash flow attributable to Iconix for the third quarter was approximately \$61.8 million, a 14% increase as compared to the prior year quarter of approximately \$54.3 million.

EBITDA attributable to Iconix for the third quarter was approximately \$65.5 million, as compared to approximately \$65.6 million in the prior year quarter.

### **Nine months ended September 30, 2014:**

Total revenue for the nine months ended September 30, 2014 was approximately \$348.8 million, a 7% increase as compared to approximately \$327.4 million for the prior year period. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for the nine month period was approximately \$117.2 million, a 5% increase as compared to approximately \$112.0 million in the prior year period, and non-GAAP diluted earnings per share was approximately \$2.22 for the nine month period, a 20% increase versus \$1.85 for the prior year period. GAAP net income attributable to Iconix for the nine month period of 2014 was approximately \$128.9 million, a 26% increase as compared to \$101.9 million in the prior year period, and GAAP diluted EPS for the nine month period of 2014

increased 33% to \$2.21 compared to \$1.67 in the prior year period. Free cash flow attributable to Iconix for the nine month period was approximately \$179.8 million, an 8% increase over the prior year period of approximately \$167.0 million. EBITDA attributable to Iconix for the nine month period was approximately \$213.4 million, a 5% increase as compared to approximately \$202.8 million in the prior year period.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics and reconciliation tables for each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "Our strong third quarter and year to date results reflect the continued strength of our overall portfolio and the power of our business model. With solid brand performance domestically supported by large direct-to-retail licenses, and double digit growth around the world driven by our global brands and joint ventures, we continue to execute in line with our successful track record. As we look to 2015, we expect to continue to drive positive organic growth, and with our strong balance sheet we plan to deliver additional value as we execute on our acquisition strategy and continue to opportunistically repurchase stock."

**2014 Guidance for Iconix Brand Group, Inc.:**

- Maintaining 2014 revenue guidance of \$455-\$465 million
- Raising 2014 non-GAAP diluted EPS guidance to \$2.72-\$2.77 from \$2.60-\$2.70
- Raising 2014 GAAP diluted EPS guidance to \$2.61-\$2.65 from \$2.50-\$2.60
- Maintaining 2014 free cash flow guidance of \$215-\$222 million

This guidance relates to the Company's existing portfolio of brands and does not include any additional acquisitions.

**2015 Guidance for Iconix Brand Group, Inc.:**

The Company is initiating the following guidance for 2015

- revenue guidance of \$485-\$500 million
- 2015 non-GAAP diluted EPS guidance of \$2.90-\$3.10
- 2015 GAAP diluted EPS guidance of \$2.82-\$3.00
- 2015 free cash flow guidance of \$220-230 million

38. On November 7, 2014, Iconix filed its Quarterly Report with the SEC on Form 10-Q for the 2014 fiscal third quarter. The Company's Form 10-Q was signed by Defendants

Cole and Lupinacci, and reaffirmed the Company's statements previously announced on October 28, 2014. The Form 10-Q contained certifications pursuant to SOX, signed by Defendants Cole and Lupinacci and substantially similar to the certification described in ¶ 24, *supra*.

39. On February 26, 2015, Iconix issued a press release entitled, "Iconix Brand Group Reports Record Revenue And Earnings For The Fourth Quarter And Full Year 2014." Therein, the Company, in relevant part, stated:

- *revenue of \$461.2 million, a 7% increase over prior year*
- *2014 diluted non GAAP EPS of \$2.78, a 16% increase over prior year*
- *Q4 total revenue of \$112.4 million, a 7% increase over prior year quarter*
- *Q4 diluted non GAAP EPS of \$0.56, a 4% increase over prior year*
- *2014 share repurchases of approximately \$193 million or 5.0 million shares*

Iconix Brand Group, Inc. (NASDAQ: ICON) ("Iconix" or the "Company"), today announced financial results for the fourth quarter and year ended December 31, 2014.

In connection with the Company's evolving business model, financial reporting includes a more detailed breakdown of revenue and a new presentation of free cash flow.

#### **Full Year 2014 Results for Iconix Brand Group, Inc.:**

Total revenue for the full year 2014 was approximately \$461.2 million, a 7% increase as compared to approximately \$432.6 million for the prior year. Licensing revenue for 2014 was approximately \$406.9 million, a 2% increase as compared to approximately \$398.0 million in the prior year. Other revenue for 2014 was approximately \$54.3 million, a 57% increase as compared to approximately \$34.6 million in the prior year. On a non-GAAP basis, as defined in the tables below, net income attributable to Iconix for 2014 was approximately \$145.5 million, a 2% increase as compared to approximately \$142.2 million in the prior year, and non-GAAP diluted earnings per share was approximately \$2.78 for 2014, a 16% increase versus \$2.39 for the prior year. GAAP net income attributable to Iconix for 2014 was approximately \$152.7 million, a 19% increase as compared to \$128.0 million in the prior year, and GAAP diluted EPS for 2014 increased 26% to \$2.66 as compared to \$2.11 in the prior year. EBITDA attributable to Iconix for 2014 was approximately \$263.8 million, as compared to approximately \$262.9 million in the prior year. Free cash flow attributable to Iconix, as redefined in the tables below, was approximately \$174.3 million for 2014, a 26% decrease as compared to approximately \$235.5 million in the prior

year. In connection with the formation of joint ventures and sale of certain trademarks the Company generated approximately \$51.2 million of notes receivable in 2014 as compared to approximately \$15.8 million in 2013.

#### **Q4 2014 Results for Iconix Brand Group, Inc.:**

Total revenue for the fourth quarter of 2014 was approximately \$112.4 million, a 7% increase as compared to approximately \$105.3 million in the fourth quarter of 2013. Licensing revenue increased 16% to approximately \$102.2 million as compared to approximately \$88.3 million in the prior year quarter. Other revenue was \$10.3 million in the fourth quarter compared to \$17.0 million in the prior year quarter. On a non-GAAP basis, as described in the tables below, net income attributable to Iconix was \$28.3 million, a 6% decrease as compared to the prior year quarter of approximately \$30.2 million. Non-GAAP diluted EPS for the fourth quarter of 2014 increased 4% to \$0.56 as compared to \$0.54 in the prior year quarter. GAAP net income attributable to Iconix for the fourth quarter of 2014 was approximately \$23.9 million, a 9% decrease as compared to \$26.1 million in the prior year quarter, and GAAP diluted EPS for the fourth quarter of 2014 was \$0.44, as compared to \$0.44 in the prior year quarter. EBITDA attributable to Iconix for the fourth quarter was approximately \$50.4 million, a 16% decrease as compared to approximately \$60.1 million in the prior year quarter. Free cash flow attributable to Iconix, as redefined in the tables below, for the fourth quarter was approximately \$46.3 million, a 19% decrease as compared to the prior year quarter of approximately \$57.4 million.

EBITDA, free cash flow, non-GAAP net income and non-GAAP diluted EPS are all non-GAAP metrics. Definitions along with reconciliation tables for, each are attached to this press release.

Neil Cole, Chairman and CEO of Iconix Brand Group, Inc. commented, "We are pleased with our performance in 2014 and are enthusiastic about our growing global brand management platform, which today includes a diversified portfolio of over 35 brands across women's, men's, home and entertainment. In 2015, we expect to achieve strong top and bottom line growth driven by steady expansion in our domestic licensing business, rapid growth in our international business both inside our joint ventures and across the territories that we control, the excitement surrounding our upcoming Peanuts movie and the benefits of our recently announced Strawberry Shortcake and PONY transactions."

#### **2015 Guidance for Iconix Brand Group, Inc.:**

- Raising 2015 revenue guidance to \$490-\$510 million from \$485-\$500 million
- Raising 2015 non-GAAP diluted EPS guidance to \$3.00-\$3.15 from \$2.90-\$3.10

- Raising 2015 GAAP diluted EPS guidance to \$3.06-\$3.20 from \$2.82-\$3.00
- Establishing new 2015 free cash flow calculation and guidance of \$208-\$218 million

40. On March 2, 2015, Iconix filed its Annual Report with the SEC on Form 10-K for the 2014 fiscal year. The Company's Form 10-K was signed by Defendants Cole and Lupinacci, and reaffirmed the Company's statements previously announced on February 26, 2015. The Form 10-K contained certifications pursuant to SOX, signed by Defendants Cole and Lupinacci and substantially similar to the certification described in ¶ 24, *supra*.

41. The statements contained in ¶¶ 23-40 were materially false and/or misleading when made because defendants failed to disclose or indicate the following: (1) that the Company underreported the cost basis of its brands; (2) that the Company engaged in irregular accounting practices related to the booking of its joint venture revenues and profits; free-cash flow; and, organic growth; (3) that, as a result, the Company's earnings and revenues were overstated; and (4) that, as a result of the foregoing, Defendants' statements about Iconix's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

### **The Truth Emerges**

42. On March 30, 2015, the Company announced, after the close of the trading session that its CFO, Jeff Lupinacci, had resigned effective March 30, 2015. Therein, the Company, in relevant part, stated:

On March 24, 2015, Jeff Lupinacci, the Chief Financial Officer of Iconix Brand Group, Inc. (the "Company") notified the Company of his intention to resign, with 60 days' notice, to pursue another business opportunity. The Company has determined to make such resignation effective March 30, 2015. The Company has commenced a search for Mr. Lupinacci's replacement and anticipates filling the position in the near term. Mr. David Blumberg, the Company's current Executive Vice President – Head of Strategic Development, will assume Mr. Lupinacci's duties on an interim basis until an appropriate replacement has been identified.

43. On this news the Company's shares fell \$2.72 per share, or 7%, to close on March 31, 2015, at \$33.67 per share, on unusually high volume.

44. On April 17, 2015, after the market closed, Iconix filed a Current Report with the SEC on Form 8-K. Therein, the Company, in relevant part, stated:

Seth Horowitz, Chief Operating Officer ("COO") of Iconix Brand Group, Inc. (the "Company"), tendered his resignation on April 13, 2015. Mr. Horowitz served as COO for approximately one year. The Company does not intend to seek a new COO at this time. Mr. Horowitz's responsibilities are now being assumed by the broader Iconix team.

45. On April 20, 2015, Roth Capital Partners, published the Note that, in relevant part, stated:

News of the Co's resignation is likely to weigh on shares near-term, particularly following the CFO's recent departure as well as uncertainties surrounding the company's prior reporting of free cash flow and practice of booking joint venture gains as revenue.

\* \* \*

**"Increasing Uncertainty.** This announcement follows the March 30 resignation of chief financial officer, Jeff Lupinacci, who will pursue another business opportunity. While not necessarily connected, Lupinacci's departure came after uncertainties surrounding the company's reporting of free cash flow.

46. On this news, shares of Iconix declined \$6.62 per share, over 20%, to close on April 20, 2015, at \$25.41 per share, on unusually heavy volume.

47. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

#### **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

48. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or

otherwise acquired Iconix securities during the Class Period (the “Class”); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

49. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Iconix securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Iconix or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

50. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants’ wrongful conduct in violation of federal law that is complained of herein.

51. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

52. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by defendants’ acts as alleged herein;

- whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Iconix;
- whether the Individual Defendants caused Iconix to issue false and misleading financial statements during the Class Period;
- whether defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Iconix securities during the Class Period were artificially inflated because of the defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

53. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

54. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Iconix securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and

- Plaintiff and members of the Class purchased, acquired and/or sold Iconix securities between the time the defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

55. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

56. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

### **COUNT I**

#### **(Against All Defendants For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder)**

57. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

58. This Count is asserted against defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

59. During the Class Period, defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to,

and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Iconix securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Iconix securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

60. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Iconix securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Iconix's finances and business prospects.

61. By virtue of their positions at Iconix, defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to defendants. Said acts and omissions of defendants were committed willfully or with reckless disregard for the truth. In addition, each defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

62. Defendants were personally motivated to make false statements and omit material information necessary to make the statements not misleading in order to personally benefit from the sale of Iconix securities from their personal portfolios.

63. Information showing that defendants acted knowingly or with reckless disregard for the truth is peculiarly within defendants' knowledge and control. As the senior managers and/or directors of Iconix, the Individual Defendants had knowledge of the details of Iconix's internal affairs.

64. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Iconix. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Iconix's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Iconix securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Iconix's business and financial condition which were concealed by defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Iconix securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by defendants, and were damaged thereby.

65. During the Class Period, Iconix securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the defendants made, issued or caused to be

disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Iconix securities at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Iconix securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Iconix securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

66. By reason of the conduct alleged herein, defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

67. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

## **COUNT II**

### **(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)**

68. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

69. During the Class Period, the Individual Defendants participated in the operation and management of Iconix, and conducted and participated, directly and indirectly, in the conduct of Iconix's business affairs. Because of their senior positions, they knew the adverse

non-public information about Iconix's misstatement of income and expenses and false financial statements.

70. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Iconix's financial condition and results of operations, and to correct promptly any public statements issued by Iconix which had become materially false or misleading.

71. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Iconix disseminated in the marketplace during the Class Period concerning Iconix's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Iconix to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Iconix within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Iconix securities.

72. Each of the Individual Defendants, therefore, acted as a controlling person of Iconix. By reason of their senior management positions and/or being directors of Iconix, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Iconix to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Iconix and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

73. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Iconix.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff demands judgment against defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: June 26, 2015

Respectfully submitted,

**POMERANTZ LLP**

/s/ C. Dov Berger

Jeremy A. Lieberman

C. Dov Berger

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***Attorneys for Plaintiff***

**CERTIFICATION PURSUANT  
TO FEDERAL SECURITIES LAWS**

1. I, Lorenzo Lazaro, make this declaration pursuant to Section 27(a)(2) of the Securities Act of 1933 ("Securities Act") and/or Section 21D(a)(2) of the Securities Exchange Act of 1934 ("Exchange Act") as amended by the Private Securities Litigation Reform Act of 1995.

2. I have reviewed a Complaint against Iconix Brand Group Inc. ("Iconix" or the "Company"), and authorize the filing of a comparable complaint on my behalf.

3. I did not purchase or acquire Iconix securities at the direction of plaintiffs counsel or in order to participate in any private action arising under the Securities Act or Exchange Act.

4. I am willing to serve as a representative party on behalf of a Class of investors who purchased or acquired Iconix securities during the class period, including providing testimony at deposition and trial, if necessary. I understand that the Court has the authority to select the most adequate lead plaintiff in this action.

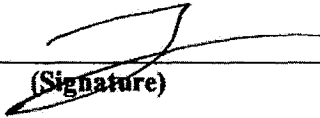
5. To the best of my current knowledge, the attached sheet lists all of my transactions in Iconix securities during the Class Period as specified in the Complaint.

6. During the three-year period preceding the date on which this Certification is signed, I have not sought to serve as a representative party on behalf of a class under the federal securities laws.

7. I agree not to accept any payment for serving as a representative party on behalf of the class as set forth in the Complaint, beyond my pro rata share of any recovery, except such reasonable costs and expenses directly relating to the representation of the class as ordered or approved by the Court.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed 6/24/15  
(Date)

  
(Signature)

Lorenzo Lazaro  
(Type or Print Name)

ICONIX BRAND GROUP, INC (ICON)

Lazaro, Lorenzo

LIST OF PURCHASES AND SALES

DATE	PURCHASE OR SALE	NUMBER OF SHS/UTS	PRICE PER SH/UT
03/02/2015	PUR	15	\$33.4000